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April 28th, 1959COCOM Document No. 2869.89COORDINATING COMMITTEE*J. List Policy
General*RECORD OF DISCUSSIONONREVIEW OF THE STRATEGIC EXPORT CONTROLS - EXCEPTIONS PROCEDURESApril 23rd, 1959

Present: Belgium (Luxembourg), Canada, Denmark, France, Germany, Italy, Japan, Netherlands, Turkey, United Kingdom, United States.

References: CH/1547, COCOM 471 (Revised), 1347, 1473, 2869.5, 2869.13, 2869.55, 2869.62, 2869.75, 2869.77, 2869.79, 2869.81, 2869.83, 2869.86, 2869.88, 3230, 3338, Secretariat Paper No. 104.

1. The CHAIRMAN proposed that the Committee should continue to take Secretariat Paper No. 104 as the basis of discussion. He noted that the United States Delegation had submitted a number of proposed amendments to the Secretariat Paper in COCOM 2869.86.
2. The UNITED STATES Delegate referred to paragraph 16(d) of Secretariat Paper No. 104, dealing with the applicability of the "de minimis" procedure. He proposed that the \$150 cut-off should not apply to the following items: 1544, 1545, 1548, 1555, 1558, 1559, 1702, 1755, 1781, 1793 and 1801. He undertook to submit to the Committee as soon as possible the technical data in support of this proposal.
3. The UNITED KINGDOM Delegate stated that his authorities considered that the \$150 cut-off should apply to all List I items. With regard to the item numbers read out by the United States Delegate, he pointed out that three of them (Items 1558, 1702, 1793) were already on the list to which the minimum shipments cut-off applied. It was true that the definitions of Items 1558 and 1702 had been changed in 1958, but the definition of Item 1793 had not been touched.
4. The FRENCH and ITALIAN Delegates pointed out that they had originally pressed for a considerably larger cut-off than the figure eventually agreed upon and had accepted it in a spirit of compromise. At that time there had been no question of a list of items to which the cut-off would not apply. The Delegates recalled that their authorities were not in favour of a separate list.
5. The BELGIAN, DANISH, GERMAN, JAPANESE and NETHERLANDS Delegates stated that their authorities did not in principle favour exceptions to the cut-off rule but they undertook to obtain fresh instructions.
6. The UNITED STATES Delegate said that his authorities, and he hoped all Delegations, had clearly understood from the beginning of the discussions that there would be a possibility of listing exceptions to the cut-off rule. His authorities had accepted the figure of \$150 in a spirit of compromise and it was their understanding that the applicability of the cut-off to specific items had not been affected by the previous discussions in the Committee.
7. The COMMITTEE agreed to hear the views of Governments on the list of exceptions proposed by the United States one week after the United States Delegation had submitted the technical data in support of their proposal. The Committee then turned to the United States proposal contained in COCOM 2869.86 for an introduction to the text given in Secretariat Paper No. 104.

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8. The UNITED KINGDOM Delegate proposed the following introductory passage, which Delegates undertook to consider:

"This document consolidates the principles and rules governing exceptions from the Security Controls which have been agreed between Member Countries. Requests for exceptions not falling under the specific types described will be examined by the Committee on the merits of the individual cases, taking into account such considerations as the exporting country may wish to put forth."

9. The COMMITTEE accepted the heading as given in Secretariat Paper No. 104. Preliminary consideration was given to the United States proposal for an introduction (COCOM 2869.86, paragraph B.1). This question was left open for further examination.

10. The COMMITTEE rejected the United States proposal to substitute "commitments or proposals to make" for the word "such" in line 3 paragraph 2 of Secretariat Paper No. 104. It was decided to delete the brackets in paragraph 2 and to add the word "however" after "recognised" in line 4.

11. The COMMITTEE then considered the United States proposal for an addition to paragraph 2 of Secretariat Paper No. 104. Following a German amendment proposal, the Committee accepted the following text but left open the question of its position in the final document:

"Where Committee agreement is given for an exception, it applies only to the individual transaction considered by the Committee, i.e. COCOM agreement must be obtained individually for each new exception, unless the Committee decides otherwise."

12. The COMMITTEE decided that Secretariat Paper No. 104 would remain permanently on the agenda until final agreement was reached.

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